

Child Poverty Was Lower at End of 1990s

Carolyn C. Rogers

Child poverty in 1999 remained high, with 11.5 million children under age 18 classified as poor, representing 37 percent of the poverty population. The child poverty rate (16 percent) exceeded the 12 percent rate for the general population. In 1999, the poverty threshold for a family of four with two children was \$16,895. Poverty rates for children in rural areas have historically been higher than rates for children in urban areas; 20 percent of nonmetro children were poor in 1999 compared with 16 percent of metro children. With child poverty remaining high throughout the 1990s, it is critical to identify those children in need of assistance who may fall through the safety net.

The number of children in the United States has continued to grow in the last decade of the 20th century, though children under age 18 now represent a smaller proportion of the total population than in the peak years of the mid-1960s. There were 70.4 million children under

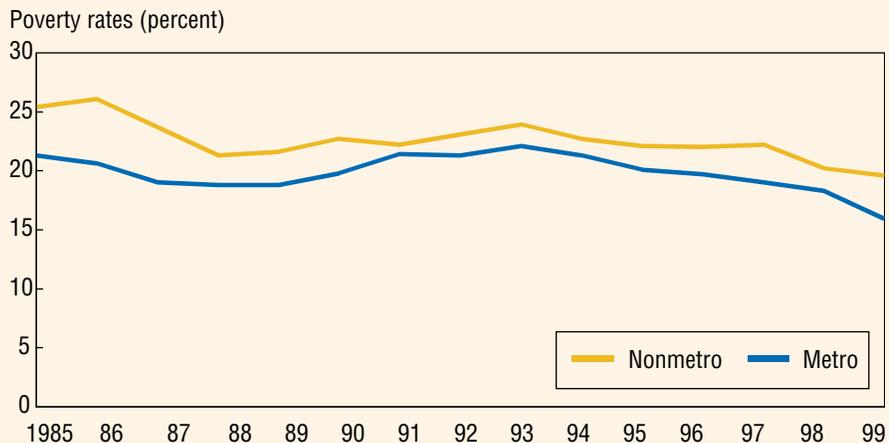
age 18 in America in the year 2000. Because of significant changes in the structure of American families, more children today can expect to live in a single-parent family at some point in their lives due to both high rates of divorce and increased out-of-wedlock childbearing. Mother-only families are more apt to be poor. An understanding of the nature of child poverty, especially in light of recent changes in the welfare program, is important for shaping successful public policies to improve the condition of children and to help them attain their potential. Statistics on child poverty may serve as a benchmark to evaluate the effects of welfare reform efforts. Most of the data in this article are from the March 2000 Current Population Survey (CPS) data file and previous years.

Child Poverty Declined Slightly in the Late 1990s

Nonmetro children have had consistently higher levels of poverty than metro children since the 1970s. In 1970, the child poverty rate was 12 percent in metro areas and 20 percent in nonmetro areas. In the late 1980s, child poverty rates declined and the metro-nonmetro gap narrowed (fig. 1). The rates increased in the early 1990s, but beginning in 1994, the metro child poverty rate dropped substantially, declining 6 percentage points to 16 percent in 1999. During this time period, the nonmetro child poverty rate also dropped, ending up 4 percentage points lower (20 percent) in 1999.

Despite slightly higher poverty rates, nonmetro children had slightly lower participation rates in the

Figure 1
Child poverty rates by metro-nonmetro residence, 1985-99
Child poverty rates declined in the latter half of the 1990s



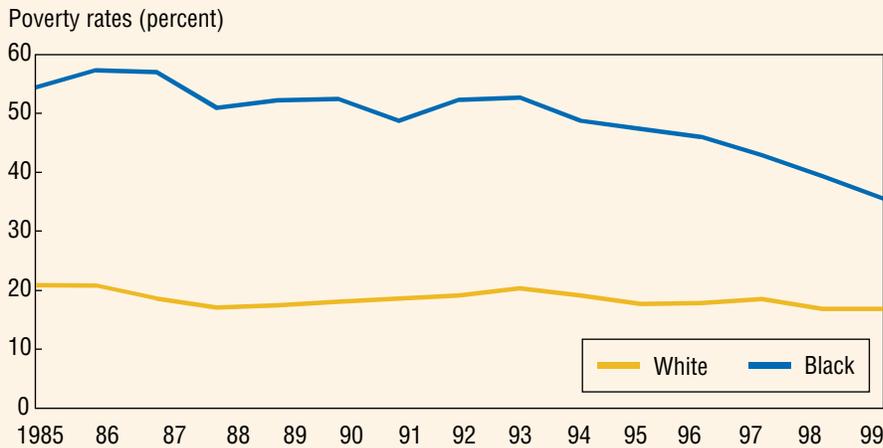
Note: Child poverty rates are based on related children under 18.
Source: Current Population Survey (CPS) data files 1986-2000.

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Figure 2

Nonmetro child poverty rates by race, 1985-99

Poverty rates declined steadily for Black children, narrowing the Black-White gap



Note: Child poverty rates are based on related children under 18.
Source: Current Population Survey (CPS) data files 1986-2000.

Aid to Families with Dependent Children (AFDC)/Temporary Assistance to Needy Families (TANF) program than metro children during the 1990s. Some of the residential difference in participation rates reflects the greater tendency of nonmetro poor children to live in two-parent families where at least one parent is employed. During the 1990s, participation rates for both metro and nonmetro children declined. It appears that a robust economy and the implementation of State waivers in the mid-1990s are among the factors affecting the decline in AFDC/TANF participation.

Poverty Rates for Nonmetro Black Children Declined Steadily Since 1985

While most poor children are White, the poverty rate of Black children is much higher than the poverty rate of White children. In 1999, the 36-percent poverty rate for nonmetro Black children compared with a 17-percent poverty rate for nonmetro White children. The Black-White gap in poverty

narrowed between 1985 and 1999 (fig. 2). This is primarily the result of a steady 19-percentage point decline in Black child poverty from a high of 57 percent in 1986 to a low of 36 percent in 1999. The White child poverty rate also declined, though not as markedly, from 21 percent in 1985 to 17 percent in 1999. Since a higher proportion of Blacks reside in metro areas than in nonmetro areas, the gap between metro and nonmetro poverty rates would most likely be even larger without the difference in racial composition.

While the racial gap in childhood poverty has decreased, racial differences persist because a growing proportion of Black children live in mother-only families. Children in mother-only families have a greater chance of being poor than children living with two parents. In 1999, 40 percent of children in mother-only families were in poverty, compared with 8 percent in two-parent families. About half of Black children in mother-only families are below the poverty

line, compared with 29 percent of their White counterparts. This contrast by family structure is especially pronounced within racial groups. For example, 10 percent of Black children in married-couple families were poor, compared with 50 percent of Black children in mother-only families in 1999. Children in mother-only families suffer economically because their mothers usually have low earnings, their fathers often do not contribute to their support, and their financial assistance benefits may not be sufficient

Share of Near-Poor Children Has Remained Level While That of Severely Poor Has Fallen

In addition to the 20 percent of nonmetro children under 18 who were poor in 1999, nearly 14 percent were classified as near-poor (in families with total incomes 100-149 percent of the official poverty level), compared with 11 percent of metro children. The percentage of near-poor children ranged from 9 to 10 percent in metro areas and from 13 to 15 percent in nonmetro areas between 1985 and 1999, ending up at 14 percent in 1999 (fig. 3). The financial standing of the near-poor is precarious at best, with family incomes only marginally above the poverty line. Because they are above the level of poverty, the near-poor are extremely vulnerable to losing out on various governmental assistance programs. On the other hand, near-poor children may benefit from expansion of programs such as the Earned Income Tax Credit (EITC).

Thirty-six percent of nonmetro poor children lived in severe poverty, or with family incomes less than 50 percent of the poverty level, compared with 41 percent of metro poor children. Nonmetro areas have



Photo courtesy Economic Research Service, USDA.

shown greater improvement over time in this measure than metro areas. In 1985, about one-half of nonmetro poor children were in severe poverty, compared with 44 percent metro, declining 14 percentage points by 1999 (fig. 4). The depth of poverty among children is affected by whether all or some

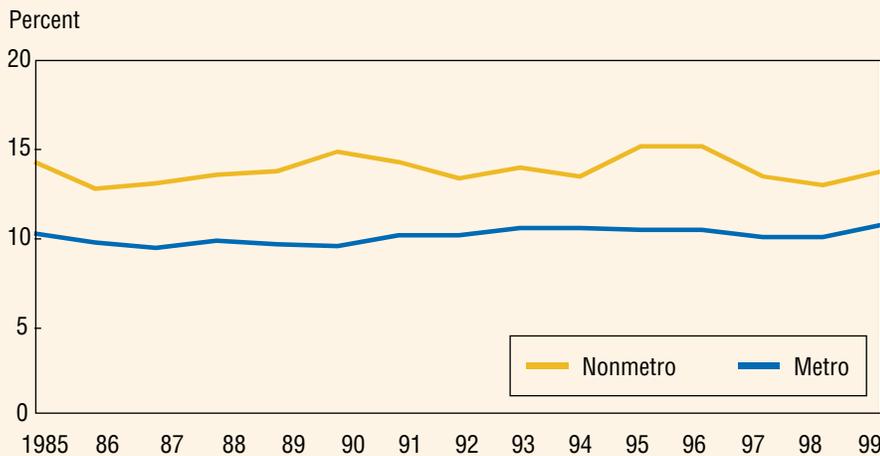
family income comes from earnings or AFDC/TANF.

Conclusion

Child poverty in 1999 remained high, with 11.5 million children under age 18 being poor, and the child poverty rate (16 percent) exceeded the 12 percent rate for

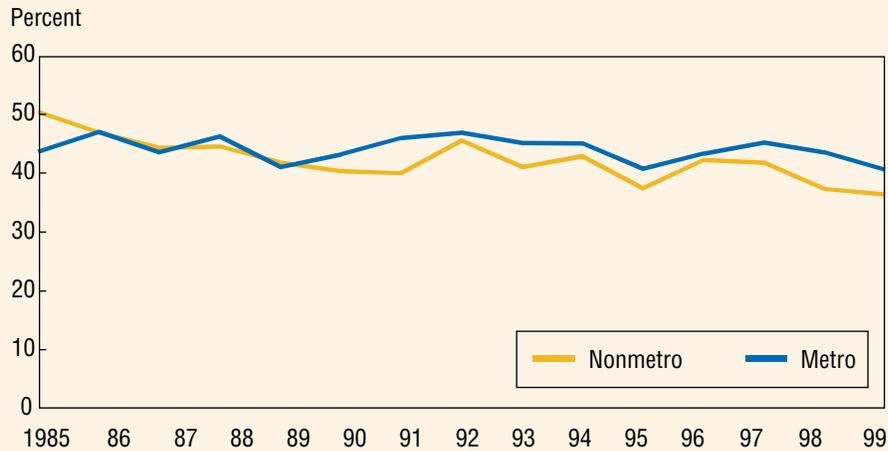
the general population. Poverty rates increased in the early 1990s, but beginning in 1994, the metro child poverty rate dropped substantially, declining 6 percentage points by 1999. During this time period, the nonmetro child poverty rate also dropped, ending up 4 percentage points lower (20 percent) in 1999. More children now live in a single-parent family at some point in their lives due to both high rates of divorce and increased out-of-wedlock childbearing, and mother-only families are more apt to be poor. In 1999, the 36-percent poverty rate for nonmetro Black children was substantially higher than the 17-percent poverty rate for nonmetro White children. However, the Black-White gap in poverty narrowed between 1985 and 1999. Childhood poverty has both immediate and long-term negative effects. Children in low-income families fare less well than children living in families above the poverty line on many indicators of economic security, health, and education. Children living below the poverty line are more likely to have

Figure 3
Near-poor children, by metro-nonmetro residence, 1985-99
The percentage of near-poor children increased slightly at the end of the 1990s



Note: Child poverty rates are based on related children under 18.
 Source: Current Population Survey (CPS) data files 1986-2000.

Figure 4
Children in deep poverty, by metro-nonmetro residence, 1985-99
The percentage of severely poor children declined in the late 1990s



Note: Child poverty rates are based on related children under 18.
 Source: Current Population Survey (CPS) data files 1986-2000.

difficulty in school, to become teenage parents, and, as adults, to earn less and be unemployed more frequently. The cost of child pover-

ty to the Nation is high because child poverty may affect the future productivity and competitiveness of the labor force. [RA](#)